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TELEPHONE NUMBERS. Kinlech SUNDAY, OCTOBER 21, 1900.

SEPTEMBER CIRCULATION.

W. B. Carr. Business Manager of The St. Louis Republic, being duly sworn, says that the actual number of full and complete copies of the daily and Sunday Republic printed during the month of September, 1909. all in regular editions, was as per schedule

Date	Contes	Date.	Copte
1	85,820	16 Sunday.	.84,960
2 Sunda	y85,750	17	.83,310
8	85,040	18	.84,180
d	83,570	19	.84,46
		20	
		21	
7	83,190	23	.86,210
		23 Sunday.	
9 Sunda	85,710	24	84,09
		25	
		28	
12	83,620	27	.83,280
		28	
		29	
15	85,810	30 Sunday.	.86,250

Total for the month ...... 2,532,600 Less all copies spoiled in printing, left over or filed ... 45.236

Net number distribute d .... 2,487,364 Average daily distribution .... 82,912 And said W. B. Carr further says that the number of copies returned or reported unsold during the month of September was

Swern to and subscribed before me this fire, day of October, 1990.

J. P. FARISH. Notary Public, City of St. Louis. Mo. My barm expires April 25, 1991.

#### EXACTLY SIMILAR.

The misstatements the Globe-Democrat makes about the Missouri School Fund are mainly malicious and willful, but not wholly so, Occasionally it is unconscious of its own stupid blundering. So the matter is one of pure stupidity when it denies that part of the Wisconsin School Fund is invested in an exactly similar way.

This denial it repeated yesterday in a most formal and emphatic manner, saving:

The Globe-Democrat denied the existence of any similar arrangement in any State, or anywhere in the world, and repeals the de-

Yet on Tuesday last it was stated in a Globe-Democrat editorial that "half of Wisconsin's School Fund is loaned to the State for war purposes." Perhaps our esteemed but befuddled contemporary will say that the Wisconsin and Missouri arrangements are not exactly similar because the Wisconsin School Fund holds State obligations in the form of ordinary negotiable bonds, which a dishonest official may steal, while the Missouri fund is invested in bonds termed certificates which are not negotiable and so cannot be stolen. The arrangements are exactly similar other-

# ROMBAUER THEN AND NOW.

In viciously attacking Judge Rombauer for having abandoned McKinleyism because it was incompatible with Americanism, the Globe-Democrat says that the Judge's loyalty to the Republican party ceased with his tenure of office, and that when his services may again be required by the party all that will be necessary is to again offer him the reward of office.

Even the Globe-Democrat itself knows that this charge of self-seeking so venomously preferred against Judge Rombauer is basely untrue.

Four years ago, when the Judge was nominated for the Circuit bench on the Republican judicial ticket, the Globe-Democrat bore truthful witness to his high character. It commended Judge Rombauer on the especial ground that he had not sought the nomination, Itself claiming for him that this disinclination to seek office was one of his highest qualifications for office.

All those who know Judge Rombauer know that the Globe-Democrat spoke the truth concerning him in 1896, and that it now bitterly maligns him. The incident indicates the lengths to which the McKinley organ is willing to go in its extreme partisanship. Its recent assault on Judge Rombauer will injure the cause of McKinleyism far more than it will burt the intended victim.

# REPUBLICANISM'S SIN.

It cannot be truthfully charged by Me-Kinley Republicans that the defection of Judge Rombauer from the ranks of present-day Republicanism is the act of a renegade to the party of Abraham Lincoln or of a self-seeker who perceives a promise of personal profit in a change of parties.

Judge Rombauer himself clearly shows that he is more faithful to the Republican creed to which Lincoln subscribed than is the McKinleyite party of to-day. and that for this reason, indeed, he is compelled to align himself against that party. Under Mr. McKinley's guidance the Republican policies are now distinctly hostile to the principles announced in the Declaration of Independence, they stand instead for foreign conquest and the subjugation of weaker peoples, they have prevailed to surrender American commerce and industries to the monopoly trusts, they have nullified as far as was possible the operation of the civil service law, they have compelled us to ignore the appeals of other peoples striving for liberty, they have degraded the American flag into an emblem of forcible government.

It is for these reasons that Judge Romoauer refuses to indorse them,

And in thus abandoning the party or ganization with which he has been identified for forty years, Judge Rombauer personally has much to lose. As he points out, the majority of his friends are Republicans, his clientage in the practice of his profession is largely Republican, it is by the Republican party that he has been honored with high office. He cannot well replace his old friends, he must abide by whatever loss to his practice may develop, he does not look to the Democratic party for appointment to office. What he has done he has done for principle's sake.

There must, in truth, be something radically wrong with a party which forces such men as Judge Rombauer to sever the relations of a lifetime. Judge Rombauer himself tells us what this wrong thing is. The Republican party under McKinley has ceased to be an American party.

#### ABOUT LOOTING.

Will the Globe-Democrat stick to the issue of its own making? It started out with the direct charge that the School Fund had been looted. It was specific in the statement that the money derived from the School Fund had been misappropriated and not used for the schools.

From that charge the Globe-Democrat has been driven in shame and confusion. Even yesterday it repeated its withdrawal of the charge, saying: "If the State bonds had been retained the present discussion would not have occurred."

What, then, is the Globe-Democrat complaining about? It is chattering now about State bonds "said to have to insinuate that the State bonds were not really canceled? If it means anything so grave as that, why not come out in plain language and make a specific charge that may be understood and comprehended?

Is it possible that the Globe-Democrat whom it surrendered yesterday a column of space on its editorial page? This Gustin charges the Democratic officials with stealing forty millions of dollars. No paltry \$4,000,000 will measure the volume of the loot, according to this discoverer. He declares the Democrats are trying to "hide the theft of ten times that amount."

If the Globe-Democrat does not agree with Gustin, why did it print his monstrous lie in its columns without contradiction or comment?

# SERFS TO THE TRUSTS.

In an editorial in its issue of Saturday, February 4, 1893, the Globe-Democrat strenuously demanded vigorous and decisive action against the Sugar Trust, which it stigmatized as a "nefarious concern," rightly claiming that the Sugar Trust constituted a "conspiracy against the laws of trade and the interests of the people."

It is exactly along these lines that The Republic and the Democratic party are now conducting a campaign against the trusts in the interests of trade and of the people. These monopoly corporations are destroying legitimate competitive trade and robbing the people. As the Globe-Democrat truthfully said, the practices of the trusts are practices contrary to the rules of right and justice, and tend to put exorbitant profits into the pockets of the few at the expense of the many."

ong the many evils of trustism as they were pointed out seven years ago by the Globe-Democrat, the organ of trustism to-day, are the destruction of individual independence in the business world and the closing of careers of comfortable independence to the young men of this country. Private business partnerships are now hopeless to contend against trust monopoly. They are crushed as a giant crushes a fly that disturbs him. The young man beginning his life work in a clerkship these days may look forward to being a clerk for the rest of his life. He cannot establish a business of his own with any chance of success. All fields are monopolized by the trusts. He is at liberty to clerk for the trusts, but higher than this the average American may not hope to climb.

This is a most serious problem for the American people to face. The Republic would be delighted to welcome the Globe-Democrat back into the anti-trust ranks. That paper was brave enough to tell the truth about the trusts in 1893. The necessity for the truth, and for action on the truth, is tenfold greater now than it was seven years ago. Will not the Globe-Democrat come back into line and strive honestly for the people against the trusts?

# RIGHT OR POWER?

It apparently seems so absurd to the McKinleyites for any American to urge that this Government should do right for right's sake that an amused laugh or a contemptuous taunt is about the only reply likely to be made to the plea to this effect coming from Mr. Samuel Alsohuler, the Democratic candidate for Governor of Illinois,

It is this masterful spirit of disregard of the right which now leads the Republican imperialists to scoff in private at the lofty principles enunciated in the American Declaration of Independence. Such a declaration, they argue, was expedient in the situation in which the Patriot Fathers found themselves. It sounded finely. As bearing upon the right of the American colonies to rebel against British oppression it was good politics. But shall we allow it now to excuse our dependent colonies that rebel against us, or to prevent us from ruling weaker and alien peoples as subject peoples? Not on your life-the shoe is on a different foot now!

Nevertheless, there are many thou sand Americans who believe that right is right and wrong is wrong in all times and under all conditions, and that what was wrong for England in 1776 is wrong for the United States in 1900. They hold that the truths of liberty announced in the Declaration of Independence are immortal truths. They claim that we are bound to maintain and uphold those truths as the very foundations of our government. They contend that it would be an act of peculiar infamy for the United States Government, based upon the Declaration of Independence. itself to repudiate and nullify the teachings contained in that declaration.

It should be shown by the result of the November vote whether the majori-

ty of American voters regard the Decla ration of Independence as merely a skillfully expedient political atterance, to be forgotten as soon as it has served our turn, or as a solemn and binding pledge placed in liberty's name on the American people. The outlook will be ominous indeed if the American vote this year shall be in favor of the party which stands for the repudiation of a declaration so long held sacred and inviolate.

OMINOUS COERCION. In the news accounts of the closing down of many of the rolling mills be longing to the Steel Trust, for the

alleged reason that customers will not place orders until they know the result of the elections, there is found a revival of the trust tactics of 1856 by which workmen were notified that they must vote for McKinley or lose their jobs. The Steel Trust mills, the news to

ports themselves tell us, are already loaded with orders from the various railroads, calling for 750,000 tons of steel rails contracted for at trust prices. Nevertheless it closes down the mills and intimates that future steady work for its employes depends upon the reelection of Mr. McKinley,

Insolent and ominous as is this course it will not surprise the American people. Every influence possible to the trusts is being brought to bear in Mr. McKinley's behalf. Their money is in Mark Hanna's hands in the shape of a \$30,000,000 slush fund for campaign use. All the pressure possible in the business and industrial world is being exerted by them. In so far as their power to control the votes of their employes is concerned they will use that power mercilessly. The new Steel Trust been canceled." Does it seriously mean development amply supports the truth of this assertion.

The American people have a hard fight ahead of them, but they can win if they are sternly resolved to overcome this tremendous evil of trust domination. Their votes can crush the trusts, and their votes are the only power caagrees with one "M. W. Gustin," to pable of this achievement. It is for the people to exercise their rightful power at the polls on November 6 to make certain the overthrow of the trusts and the party of the trusts.

One M. W. Gustin, until now up known to fame, but unearthed by the Globe-Democrat for the purpose of fathering a number of reckless state ments, has discovered that the Demo eratic party controlled and was responsible for the administration of the Missouri State government between 1861 and 1865. What next?

You may stake your soul with safety on the conviction that the patriot embattled farmers of Lexington and Concord did not fire "the shot heard round the world" in order that their sons might conquer and subjugate weaker peoples.

Every instance of Ziegenhein maladministration and corruption is an eloquent argument for the election of a Democratic Circuit Attorney and Assistant Circuit Attorney to get the facts before grand juries and courts.

In making a note of your determine tion to vote "Yes" on the World's Fair amendments November 6, make an additional note to the effect that those amendments will be found numbered 4 and 5 on the ballot. In fixing clear in your mind the duty

of voting "Yes" on the World's Fall amendments remember with equal clearness that those amendments will be found numbered 4 and 5 on the ballot which you vote. Could the American trusts have their way the highest achievement possible to

American business men would be that of holding their jobs as clerks in trust corporations. One Benjamin Harrison of Indiana probably still holds to his opinion that

all we may justly claim in the Philip pines is a harbor and coaling station for our ships. Prosperous Missouri is naturally not kindly disposed toward a party which sought to make her despised as the

souri." If trustism prevails the American no bility will consist of Trust Barons and the American people will pay a feudal tribute of tithes and service to the

"Robber State" and "Poor old Mis

A noonday advance of 10 cents per gallon in the price of linseed oil will not tend to convince the helpless consumers that the frusts are beneficent institu tions.

While the McKinley trustites concede that Mr. Bryan is an honest man, that fact only seems to increase their contempt for so "impractical" a character.

Republicanism's outlook in Indiana would be brighter if ex-President Harrison would cease being so good a Re publican and so poor a McKinleyite. It's all right for Missourians to say

Governor' Dockery now. The title will come just that much easier to the tongue after November 6 next. Despite the trust contention to the

contrary, it is to the honor of Democ racy that it stands before the world as the poor man's party.

Joe Flory's fate will teach Missouri Republicans the folly of sending a small boy to mill-especially on a railroad quadricycle.

# There's nothing like a breezy laugh to frighter

off dull care.

There's nothing like a sunny song to cheer you
There's nothing like a happy day out in the ope To show the beauty of the world that's near grieving is a tyrant thing that holds its vic-

And bends them subject to its ruling only, and care's a sullen master, all silent Whose prisoners must languish dumb and lonely.

But arrogant and grim of soul as both of then But arrogant and grind may be.

It takes but these to work their overthrowing—
A song that's light and fearless and a laugh that's clear and free.

And the open world where God's sweet winds are blowing.

Then a song instead of grieving, and a laugh

Then a song instead of grieving, and a laugh in care's disdain.

And a wholesome day out in the sunny weath-And the prison gates are wide and broken is the the gladsome things of life go free to-

RIPLEY D. SAUNDERS.

# TAXATION OF MORTGAGES.

The article below timely, because of the proposed constitutional amendment, taxing mortgages, is a chapter from "A Treatise on the Law and Practice of Taxation in Missouri," by Prederick N. Judeon of the St. Louis bar, Published by E. W. Stephelleher, from advance sheets. The work is now in press. of the St. Louis har, Published by E. W. Stephens. By kind permission of author and pub

NDER the law of Missouri, mortgages of real estate, and notes secured by deeds of trust upon real estate, are personal property and are required to be listed by the holder for taxation at his domicile. Ifke other personal property. The statthe nonder for taxar "credits" shall be hold to include "all money loaned or invested and all indebtedness secured by deed, contract, mortgage or piedge of property of whatsoever kind." It is therefore immaterial where the property upon which the mortgage or deed of trust is a iten, whether in this State or elsewhere. As already shown, the statute also makes taxable at the domicile of the owner in this State all notes, bonds or other evidences of debt, which are held in any other State or Territory, The State has therefore exercised its utmost power in the taxation of this class of property. It taxes all the land in the State to its full value without deduction for mortgage, and also taxes all the mortgages on the property in other jurisdictions belonging to the citizens of this State, whether the bonds and notes or other evidences of debt are in this State or not. The effect of this system, as already shown, is to tax both the propcity and the credit whose value rests upon the property.

#### Failure of the Tax on Mortgages.

The system fails, not from any lack of exercise of the lawful power of the State, but ecause it has proven practically impossible to compel the listing of the mortgage notes for taxation, and with the exception of the comparatively small amount secured from administrators and trustees, and indirectly through the taxation of banks and trust empanies, morigages have practically gone untaxed. The sense of injustice, therefore, that the owner of the property feels in being required to pay a tax or the full assessed value, when its value to bim is reduced by the amount of the mortgage, is increased by the recognized fact that the mortgage as a rule escapes taxation

emption of mortgages and reaching that class of property through other forms of taxation. This is the system adopted in Massachusetts and other States, where mortgages are virtually exempt from taxation, with Massachusetts a resulting tendency to lower rates of interest on mortgage loans System. by the attraction of foreign capital. Second, the other remedy

Two remedies have been applied to this admitted failure of the law. First, the ex-

suggested is what is known as the California system of taxing separately the mortgaged interest and the equity in the mortgaged property, both interests being treated as interests in the real estate for the purposes of taxation. This sys-tem was adopted in California in 1879 and is still the law of that

This method of taxing mortgage interests in lands was adopted in Oregon by statute, and it was held by the Supreme Court of the United States, as applied to mortgages owned by citizens other States and in their possession outside of the State, not to contravene the Constitution of the United States, the court saying:

"The State may tax real estate mortgages, as it may oil other California System property within its jurisdiction, at its full value. It may do this, either taxing the whole to the mortgagor, or taxing to the mort-Not Violative gages the interest therein represented by the mortgage, and to the mortgagor the remaining interest in the land. And it may, for of U. S. Constitution. the purposes of taxation, either treat the mortgage debt as personal property, to be taxed like other choses in action to the creditor at his domicile, or treat the mortgagee's interest in the land as real estate, to be

#### The Constitutional Amendment Submitted in 1900.

The General Assembly of Missouri in 1899 submitted the California system as a contitutional amendment, to be voted upon by the people of Missouri at the general election in November, 1960. That the substantial identity of our proposed constitutional amendment with the constitutional provision of California may be clearly seen, they are herewith submitted in parallel column

taxed to him like other real property at its situs."

PROPOSED AMENDMENT TO MISSOURI CONSTITUTION.

Art. X. Sec. 22. A mortgage, deed of trust, contract or other obligation by which a debt is secured shall, for the purposes of assessment and
taxation, be deemed and treated as an interest in
the property affected thereby; except as to railroad and other quast public corporations, for
which provision has already been made by law;
in case of debts so secured, the value of the
property affected by such mortgage, deed of trust,
contract or obligation, less the value of such
security, shall be assessed and taxed to the ownsecurity, shall be assessed and taxed to the ownsecurity, shall be assessed and taxed to the receivafter to security, shall be assessed and taxed to the owner of the property, in the manner hereinafter to be provided by law, and the vaius of such security shall be assessed and taxed to the owner thereof, in the county, city or other local subdivision in which the property affected thereby is situate. The tax so levied shall be a Hen upon the property and security, and may be paid by either party to such security. If paid by the owner of the security the tax so levied upon the property affected thereby shall become a part of the debt so secured; if the owner of the property shall pay the tax so levied on such security, it shall constitute a payment thereon, and to the extent of such payment a full discharge thereof. Provided, that in all such cases the interest of the owner of the security, as well as that of the owners of that in all such cases the interest of the owner of the security, as well as that of the owners of the property affected by such mortgage, deed of trust, contract or obligation, shall be assessed on terms equally fair and just. If the note or other oblication secured is entitled to a credit by payment made on the principal thereof, the assessable value of the owners of the eccurity, upon the fact being made known to the Ansessor prior to the assessment, shall be diminished by the amount of such payment, and the assessable value of the owner of the land or other property correspondingly increased, the intent hereof being to place those interested in any way in such land or other property or the same plan of absolute equality as property on the same plan of absolute equality as

Sec. 21. Every contract hereafter made, by which a debtor is obligated to pay any lax assessment on money loaned, or on any mortga deed of trust, or other iten, shall, as to any terest specified therein and as to such tax or

ment, be null and void.

CALIFORNIA CONSTITUTION.

Art, XII. Sec. 4. A mortgage, deed of trust, con-tract or other obligation by which a debt is se-

cured shall, for purposes of assessment and tax-

ation, be deemed and treated as an interest in the

property affected thereby; except as to railroad

and other quasi public corporations; in the case of debt so secured, the value of the property af-

fected by such mortgage, deed of trust, contract

er obligation, less the value of such security, shall be assessed and taxed to the owner of the

property, and the value of such security shall be assessed and taxed to the owner thereof, in the

county, city or district in which the property af-

shall be a lien upon the property and security

and may be paid by either party to such security

If paid by the owner of such security the tax so levied upon the property affected thereby shall become a part of the debt so secured; if the own-

er of the property shall pay the tax so levied on

such security, it shall constitute a payment there

discharge thereof. Provided, that if any such se

the tax levy, the amount of such levy may like

shall be computed according to the tax levy for

which a debter is obliged to pay any tax or as-

seamment of money loaned, or any mortgage, deed of trust, or other tien, shall, as to any interest

specified therein, and as to such tax or assess-

5. Every contract hereinafter made, by

fected thereby is situate. The taxes

curity or indebtedness shall be paid by

the preceding year.

debtor or debtors, after assessment and

It will be seen that the Missouri amendment, in the provise to section 22, incorpor ates as an addition to the California section the provision that the interest of the owner of the security, as well as that of the owner of the property, "shall be assessed of terms equally fair and just," and in the following words at the close thereof, "the intent hereof being to place those interested in any way in such land or property upon the same plane of absolute equality as to taxation."

The language of this provision was doubtless adopted in recognition of the wellknown practice of assessing property at a fraction of its true value. Assuming, then, that property worth \$19,000 is mortgaged for \$5,000, and the same property under the present system is assessed on the basis of 23 Equality of Tax-

per cent, the average valuation of farm lands according to Gov ation Between erner Stephens, the mortgage under the proposed system would be Mortgagor and assessed at \$1,650 to the mortgagee and the equity at \$1,550 to the mortgagor. This provision for equality of taxation is based upon Mortgagee. a principle of fairness, and does away with the anomaly of double

taxation under the present system, whereunder the ignorant and helpless are compelled to pay a tax from which others are practically exempt Shifting of the Tax on the Mortgage to the Mortgagor.

The proposed Missouri amendment adopts word for word the language of the Callornia law in providing against the shifting of the tax on the mortgage interest in the and from the mortgagee to the mortgagor by contract between them. It is obvious that if the tax can be so chifted the only effect of the proposed amendment would be to prevent the double taxation of the present system-that is, the taxation of the land without deduction to the morigagor, and the mortgage at the same time as personal property to the mortgagee. The mortgagor under this shifting of the tax would continue to pay the tax on the full assessed value of the land as before, as he would pay the tax both on his own equity in the land, on the interest of the mortgagee. The effeet of the shifting of the tax, therefore, would be to exempt the mortgagee; or, more accurately, to legalize the existing practical exemption.

# Failure of the System in California.

As we are now asked to adopt a system which has been in force in California for ver twenty years, it is important to study the experience of California with reference to this very matter. This subject has been carefully investigated by Professor Carl C. Plehm, professor of history and political science in the University of California, in a recent article As a result of an exhaustive investigation he finds that the provision against the

shifting of the tax back to the mortgagor has proved wholly ineffective. So successful have been the devices to shift the burden of the tax upon the mortgagor that they have come into practically universal use, and Professor Plehm printed blanks are used embodying agreements, which have been sustained by the Supreme Court of the State. Professor Pichm on California says: "Possibly the oldest and certainly the most widely used of Experience. the successful devices invented for this purpose is that of a contract separate and distinct from the mortgage, in which the credit-

or agrees to reduce the interest in case the debtor pays the taxes. The method is so common in the South that all stationers carry regular blank forms of these contracts.

"The feeling that the provision of the Constitution which requires the mortgages to pay the taxes accomplishes no good and really increases the burden of debt, and that its evasion affords the debtor a genuine relief, while working no injustice to the creditor, probably accounts for this far-reaching opinion rendered in the recent case of the London and San Francisco Bank vs. Burderan, 139 Cal. 771 specified March 21, 188). In this case, it was held that a valid agree-ment, not simultaneous with or directly a part of the mortgage, providing for the payment of taxes by the mortgagor does not violate the constitutional provision. This sweeping decision makes the constitutional provision entirely devoid of meaning and brings the California system of taxing mortgages into practical conformity with that of Massachusetts. That is, the two mortuage can make any agreement they please as to the payment of the tax. Thus it is that this famous 'experiment in taxation' has come to en end.

As we are now asked to adopt a constitutional provision of another State, which has been construed by the Supreme Court of that State, will we not adopt this construction

It is also clearly demonstrated by Professor Pichm, and his testimony in this regard seems to be confirmed by all authorities, that in so far as this shifting of the tax was not effective, the rate of interest upon mortgage loans was increased, and foreign capital diverted from the State. Indeed, this fact seems to be so universally conceded in California that it is recognized by the Supreme Court of California in its opinions above cited.

Michigan has had a somewhat similar experience in attempting to tax mortgages. It was enacted that the mertgager might pay the tax upon the full value of the land, but that the mortgagee should receive in lieu of interest tax receipts representing that portion of the total tax that the mortgage repre-Experience of sented of the total value. "This law had the effect, first, in caus-Michigan. ing the banks to raise the rate of interest I per cent on this species

# Similar Conditions in California and Missouri.

of loans, and, second, a new form of me

The conclusions of Professor Plehm as to the relation of the morigage tax to the eneral property tax are equally applicable to our condition in Missouri, as our systems of taxation are substantially the same. It seems reasonable that a man whose interest in his property is diminished by a mortgage should be taxed only upon the value of his

wherein the berrower contracted not to pay interest tax certificates,

interest in the property. But is not that consideration equally applicable to the holder of personal property, who under our present system pays taxes not upon what he is worth less his debts, but upon his holding irrespective of his debts? Some States, as New York, allow debts owed by the person to be deducted from the personal prope turned by him. But our taxing system is based on a radically different system. In the language of Professor Plehm, it taxes "things and not persons," Our Supreme Court says: "It is not what an individual or corporation is worth over and above what they may be indebted which is taxed, but is the property owned by either on which the tax

### Effect on Credit of State.

It is clear that even if the law can be successfully evaded in this respect and the burden of the tax shifted from the lender to the borrower, the very fact of being compelled to resort to such evasions will prove in so far a burden to the people of the State in preventing the securing the lowest rate of interest for the use of capital in the development of the State.

#### Proposed Mortgage Tax in New York.

This subject of the taxation of mortgages has recently been thoroughly discussed in New York with reference to the proposed levy of a small tax upon mortgages, a much lower rate being proposed than that levied upon real estate, there being in New York so constitutional difficulty in the way of this difference in the tax rate on different classes of property. It was strenuously urged, however, that the tax would operate to the prejudice of the borrowing class, as well as of the savings banks, which in New York invest very heavily in this class of securities, and the proposed tax was defeated. It would therefore follow that the adoption of the proposed amendment would be ineffective in so far as any relief to the holders of mortgaged property is concerned, and would be injurious to our people and indus-

of real estate upon the net value of their lands, less the amounts borrowed thereon, while taxing or attempting to tax the holders of personal property for their full value, irrespective of what they owed thereon, The submission of this amendment, however, indicates that public attention is being awakened to the anomalies and absurdities of our present taxing system, and gives

On the other hand, it may be said that the amendment is an improvement on our

present system, in that it would aboilsh the anomaly of an attempted double taxation,

effective only against the scrupulously honest and helpless. But even in this respect it

would be illogical and inconsistent with our taxing system, in that it would tax holders

ground for hope that whatever the result of the pending vote upon this amendment, just and comprehensive system of taxation may yet, through continued agitation, be The only effective and logical method, consistent with the theory of our taxing sys-

tem is to tax the value of all the real estate in the State once, and once only, leaving mortgagor and mortgagee to make their own agreements as to taxation. With the vast possibilities of material development in Mis-Only Effective sourt our people and our industries need the very best facilities Method. for commanding capital, and we can ill afford to adopt a measure which has proven so distinctive a failure in the State from which

tries in discouraging the investment of foreign capital in the State.

#### Mortgages on Property Out of the State.

In this connection it is proper to consider the taxation of mortgages held in the State secured by property in other States or counties. Such mortgages are not included in this pending amendment, but they are sought to be made taxable under our law. See supra, p. -.. The attempt to subject them to State taxation is not only in the nature of things impracticable, but it is inconsistent with the principles of comity which should control in interstate relations in taxation. It is double taxation, in fact, if the property represented by the security is taxed again in any jurisdiction. It is assumed that the property in another jurisdiction represented by securities in the hands of a resident is taxed by that jurisdiction from which it receives protection, just as we tax all the property in this State regardless of the residence of its owner, and also regardless of where the securities representing the property or secured by it are held. It is only by the recognition of this principle in every form of taxation of any property that justice can be secured and double taxation avoided in our system of dual sovereignties and intimate interstate property and business relations.

ADDENDUM-A former citizen of Missouri, now a citizen of California, who has en, and is, a large borrower in extensive development undertakings in that State and in Oregon, writes concerning the conclusions of Professor Plehm, as above, and says: "Without benefiting the State, I believe the mortgage tax law is a disadvantage to the borrower, and compels him to pay more interest than with the law not upon the statute books. This is occasioned by the uncertainty that always surrounds the tax levy, which of necessity compels the lender to guess upon the amount likely to be levied, and he naturally guesses from one-half to 1 per cent more than the amount levied. • • • Many horrowers, myself among the number, arrive at a secret understanding with the lender, by which the land is assessed with incumbrances, the borrower thus being enabled to pay the full tax upon the property and then receiving

actual reduction from his tax rate from his interest. "Another objection to the mortgage tax law is that it discourages the investment of money from other States and from foreign countries, upon the theory that it puts a re-striction upon money. • • • It is difficult to explain to nonresidents that this is a tax

# INTERESTING POLITICAL TALK BY MISSOURI REPUBLICANS.

BY E. M. WATSON.

REPUBLIC SPECIAL Jefferson City, Mo., Oct. 20.-A number of rominent Republican lawyers have been attending the October call of this term of the Supreme Court. I was thrown in contact with a group of three the early part of this week, with a prominent Democratic lawyer to leaven the loaf. Two of the three from Kansas City, The conversation turned upon the present State campaign, and the ernt heartlessly asked the three Re publican members of the bar what they They exchanged glances, each of the three

ly waiting for some one else besides Finally, the Kansas City lawyer broke forth into lamentations over the folly of nominating Flory, and delivered a diatribe on the character of campaign which the has been carrying on. The lawyer from metropolis of the Kaw, however, said he would take his medicine and swallow the Flory dose with the rest of the ticket. of the St. Louis barristers said h had always voted the Republican ticket straight, but he'd be halved and quartered he'd vote for Flory. He would put his ticket in for McKinley and Dockery. He added: "If the Republicans want my sup-port in State affairs they will have to nom-

e some one at the head of is gubernatorial material." head of the ticket The third gentleman acquiesced with the St. Louis lawyer. He said that he was a blind partison as to vote for the joke which the kid Republicans had feisted on the party

t Kansas City last spring. Instances of this kind have occurred more than once at the capital in the last two months, many of the prominent Republic-ans who visit here absolutely refusing to rote for the nomines of their party and all deprecating his choice as the head of the

Jefferson City and Cole County have many substantial German citizens, and the jority of them are Republicans. No has so much impressed the voters among this class as the letter of Judge Rombauer a The Republic, is which he announces his enunciation of the imperialistic and trustfostering policy of the Republican party

Like the rest of the Germans of Missouri those of this vicinity esteem higher that any public men Carl Schurz and Judge Rombauer. There are not many in Jeffer son City who have not read Judge bauer's exceriation of President McKinley and his arraignment of the Republican pary for its colonial policy, its liberty-suberting principles and its trust record. His reasons have made a profound im-pression upon them, and many will follow his lead if the predictions of a prominent German Republican, who will himself vote

or Bryan, are correct. Speaking of the German vote which Me-Bryan will receive in this vicinity. I noticed rather a strange combination at Neighbro s branch, where Joseph Flory addressed some Republican farmers of Cole County tha

Many of them had a Flory button on lapel of the coat and a likeness of Mr. Bryan on the other. Questioned as to the they would vote with the Democrats this as Republicanism meant imperialism in the Fatherland,

REPUBLIC SPECIAL Jefferson City, Mo., Oct. 20.-Senator F. M. Cockreil visited the capital this week. He s right in the midst of an absorbing camsign for the Democratic party, and, as has seen his custom for years, has placed him-Committee. Since his return from Washington he has been as actively in the camaign as any Democrat in Missouri and has carried Democratic doctrine to many parts of the State. He has still enough app ents to keep him busy until the eve of the campaign, and his intention is to fill every me of them.

House of Representatives this week, and those who have heard him speak many times, even before his remarkable race for the gubernatorial nomination, when he was defeated by one-sixth of a vote, say that it was the best effort of his life. His pepu-

larity at the capital could not have been evidenced better than by the reception gives him when he arose to speak. It was an ovetion and lasted the better part of five minutes. Some of the members of Senator Cockrell's brigade live in Jefferson City and others came across the big bridge from the "Kingdom of Callaway." Some of these comrades in arms rode miles out of the Callaway hills to hear their

expound the issues. In a conversation with a Republic correspondent Senator Cockrell said that Mr. Bryan has many elements of strength which he lacked in 1896. He thinks the current of public sentiment and political preference are tending toward him as the campaign advances. In consequence of this he has strong hopes of his election. As to the State campaign, he says the cond were never better, and he anticipates an increased Democratic majority. Regarding licans over the alleged dissipation of the school fund, Senator Cockrell took occasion

to say this: "Many years ago I investigated the question of the administration of our State gove ernment under Republican rule, and subsequently under Democratic administration, and the official records show beyond the shadow of a doubt that not one dollar of the school fund of the State of Missouri has ever been stolen, lost, squandered or misapproprinted by any Democratic administration or Democratic official. On the contrary, it has been invested as a permanent endowment fund, in an obligation bond or certificate of indebtedness of the State, \$2,900.-600, which bears 6 per cent interest, and is a more profitable investment for the public school fund of the State than any obligation that could be secured to-day of the States or of this State, because United States bonds are being refunded into 2 per cent bonds, and Missouri State bonds have all been refunded into 31/2 per cent bouds The Democratic administrations have been honest, economical and in strict accord with our Constitution and written laws."

Joseph Flory spoke in Cole County on Monday of this week, and made a few more votes for Dockery. The Republican candidate for Governor held forth at Neighorn' Branch, situate five miles from the capita There were possibly 500 men, women and children present. In view of this fact the report in the Globe-Democrat that "thou-sands of farmers heard the next Governor" was read with some amusement by those who saw the sparse crowd that had the hardihood to sit through his bour. It is also a fact which many have noticed that Mr. Flory's speeches in the State Republican organ and the ones he really delivers wouldn't doveta'l in parallel columns. The one he delivered Monday was of the "I accuse" variety of stump efforts in which the characteristics of the mountebank and the demagogue were uppermost. He made the statement, and pre tended to quote from the Auditor's reports of past years, that Democratic Governors and their wives had, since 1882, paid the gro-

cery, drug and other bills of the mansion out of the public revenues of the State. The two Democratic factions at Kansas City known as the police and the anti-po-lice factions have broken into the Supreme Court again, this time by mandamus day the writ of prohibition which the pofaction asked against the anti-police faction was dismissed by the relator. County Clerk Crittenden decided Wednesday that the special primary called by State Chairman Seibert, who has been try-ing to pour oil on the troubled Democratio waters in Kansas City, was without war-rant or effect, and that the anti-police, or Shannon ticket, was the regularly nominated Democratic ticket. Thursday when the Supreme Court met, an attorney of the police, or Reed, faction, was it waiting to ask the court to issue a writ of mandamus compelling County Clerk Crittenden to place the Reed nominees on the tenden to place the Reed nominees on the official ballot. The court will hear the respective plaints of the divided Democracy of Jackson County on Monday afternoon.

All place the contention on exceedingly high respective plaints. high grounds, and claim it is a matter of principle, not merely a desire for the p quiettes and patronage that would be